



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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MEMORANDUM

TO: Karen S. Rheuban, M.D.
Chair, Board of Medical Assistance Services

The Honorable Thomas K. Norment, Jr.
Co-Chairman, Senate Finance Committee

The Honorable Emmett W. Hanger, Jr.
Co-Chairman, Senate Finance Committee

The Honorable S. Chris Jones
Chairman, House Appropriations Committee

Daniel Timberlake
Director, Department of Planning and Budget

FROM: Cynthia B. Jones
Director, Virginia Department of Medical Assistance Services

A handwritten signature in cursive script that reads "Cynthia B. Jones".

SUBJECT: Annual Report on the Medicaid Physician and Managed Care Liaison Committee

The 2016 Appropriation Act, Item 306 GGG, requires the Department of Medical Assistance Services shall establish a Medicaid Physician and Managed Care Liaison Committee and the Committee shall establish an Emergency Department Care Coordination work group. The department, in cooperation with the committee, shall report on the committee's activities annually to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget no later than October 1 each year.

Should you have any questions or need additional information, please feel free to contact me at (804) 786-8099.

CBJ/

Enclosure

pc: The Honorable William A. Hazel, Jr., MD, Secretary of Health and Human Resources

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

ADMINISTERING MEDICAID AND THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM IN VIRGINIA



DMAS' mission is to provide a system of high-quality and cost-effective health care services to qualifying Virginians and their families.

The Medicaid program, signed into law by President Lyndon B. Johnson on July 30, 1965, celebrated its 50th year in 2015.

Medicaid is a joint federal and state program authorized under Title XIX of the Social Security Act that provides health and long-term care coverage for specific groups of Virginians with low incomes. In Virginia, Medicaid is administered by the Department of Medical Assistance Services (DMAS) and is jointly funded by Virginia and the federal government. Virginia's federal matching rate, known as the Federal Medical Assistance Percentage (FMAP) is generally 50%, so Virginia receives \$1 of federal matching funds for every \$1 Virginia spends on Medicaid.

Medicaid is primarily available to children in families with low-income, pregnant women, elderly, individuals with disabilities, and parents below strict income limits.

DMAS also administers Virginia's Children's Health Insurance Program (CHIP) known as FAMIS. FAMIS covers children and pregnant women in families earning too much to qualify for Medicaid but too little to afford private insurance.

All states must follow federal Medicaid/CHIP guidelines regarding who is covered, but set their own income and asset eligibility criteria. Virginia's eligibility criteria are among the strictest in the nation.



Annual Report to the General Assembly on the Medicaid Physician and Managed Care Liaison Committee – October 2016

Report Mandate

The 2016 Appropriation Act, Item 306 GGG, states:

“Effective July 1, 2013, the Department of Medical Assistance Services shall establish a Medicaid Physician and Managed Care Liaison Committee including, but not limited to, representatives from the following organizations: the Virginia Academy of Family Physicians; the American Academy of Pediatricians – Virginia Chapter; the Virginia College of Emergency Physicians; the American College of Obstetrics and Gynecology – Virginia Section; Virginia Chapter, American College of Radiology; the Psychiatric Society of Virginia; the Virginia Medical Group Management Association; and the Medical Society of Virginia. The committee shall also include representatives from each of the department's contracted managed care organizations and a representative from the Virginia Association of Health Plans. The committee will work with the department to investigate the implementation of quality, cost-effective health care initiatives, to identify means to increase provider participation in the Medicaid program, to remove administrative obstacles to quality, cost-effective patient care, and to address other matters as raised by the department or members of the committee. The Committee shall establish an Emergency Department Care Coordination work group comprised of representatives from the Committee, including the Virginia College of Emergency Physicians, the Medical Society of Virginia, the Virginia Hospital and Healthcare Association, the Virginia Academy of Family Physicians and the Virginia Association of Health Plans to review the following issues: (i) how to improve coordination of care across provider types of Medicaid "super utilizers"; (ii) the impact of primary care provider incentive funding on improved interoperability between hospital and provider systems; and (iii) methods for formalizing a statewide emergency department collaboration to improve care and treatment of Medicaid recipients and increase cost efficiency in the Medicaid program, including recognized best practices for emergency departments. The committee shall meet semi-annually, or more frequently if requested by the department or members of the committee. The department, in cooperation with the committee, shall report on the committee's activities annually to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget no later than October 1 each year.”

I. Background

The Medicaid Physician and Managed Care Liaison Committee membership is comprised of representatives from the physician organizations specified in the budget language referenced above. It also includes participation by representatives from the Department of Medical Assistance Services (DMAS) contracted managed care organizations, the Virginia Association of Health Plans, the Virginia Council of Nurse Practitioners, and the Virginia Nurses Association. The current membership roster is attached.

The Committee was charged with working with DMAS to:

- Investigate the implementation of quality, cost-effective health care initiatives;
- Remove administrative obstacles to quality, cost-effective patient care;
- Identify means to increase provider participation in the Medicaid program; and
- Address other matters as raised by DMAS or committee members.

As noted in earlier reports to the General Assembly, the Committee previously established three subcommittees which continued to meet during the past year. These workgroups are chaired by members of the full Committee and supported by DMAS staff:

- Workgroup #1 – Investigating Quality, Cost-effective Health Care Solutions;
- Workgroup #2 – Increasing Provider Participation; and
- Workgroup #3 – Removing administrative obstacles to quality, cost-effective patient care.

The inaugural meeting of the Committee was held on August 22, 2013, and thereafter the Committee has met at least biannually. Committee members participate in separate workgroups, or subcommittees, to address the first three charges to the Committee as listed above. The subcommittees have met numerous times, both as part of full Committee meetings and separately, to explore these matters in great detail.

II. Current Year Activities

A. Identifying Committee Priorities

Since the previous Annual Report to the General Assembly in October 2015, the Medicaid Physician and Managed Care Liaison Committee held two face-to-face meetings on November 12, 2015, and April 12, 2016. The November meeting was chaired by the DMAS Chief Deputy. Prior to this full Committee meeting, the members were provided with a list of previously solicited topics that various members had expressed interest in to redirect the Committee's focus for action in 2016. The group was asked to submit their votes for their top two picks out of the 12 topics under consideration. The Committee Chairperson announced the results of the vote on Committee priorities at the outset of the meeting:

- An Emergency Department (ED) diversion project; and
- Working with providers to determine best practices so they can be ready for value based payment arrangements (including quality HEDIS measures).

Following some discussion on the above topics, the DMAS Provider Reimbursement Director gave a presentation on Value Based Purchasing (VBP). The presentation provided an overview of what VBP is, what experience DMAS has had to date, and the direction in which the agency may go in the future. The presentation specifically identified what Medallion 3.0 and Commonwealth Coordinated Care (CCC)

include in their health plan contracts related to VBP and concluded with a brief description of the future Virginia Medicaid Delivery System Reform Incentive Payment (DSRIP) initiative. Questions were encouraged thereafter and the subject was deliberated upon by numerous Committee members.

A Committee member and representative for the Virginia Association of Health Plans followed the presentation on VBP with a presentation on an ED Diversion Project. The presentation discussed the Emergency Department Medicaid Utilization 7 Best Practices from the Washington State Health Care Authority and savings achieved by the project. By legislative mandate, Washington hospitals were required to implement seven best practices beginning in July 2012 aimed at reducing unnecessary emergency department use by Medicaid clients. A variety of measurements demonstrate that this collaborative project has had a meaningful impact on ED utilization; for example, the rate of ED visits declined by 9.9%. In state fiscal year 2015, Virginia spent just over \$200 million on ED visits or around 2.7 percent of the total Medicaid spending on services. The Committee members concluded their first meeting in agreement that this model provides excellent instruction for development of their new ED diversion project.

B. Establishing the Emergency Department Care Coordination Work Group

At the subsequent meeting of the Committee on April 12, 2016, the Committee Chairperson introduced a new Committee member, the DMAS Chief Medical Officer. The Committee then discussed a legislative directive adopted during the 2016 Session of the Virginia General Assembly, which modified the charge of the Medicaid Physician and Managed Care Liaison Committee (MPMCLC). The legislative directive took the form of a budget amendment, stating that the MPMCLC shall *“establish an Emergency Department Care Coordination work group comprised of representatives from the Committee, including the Virginia College of Emergency Physicians, the Medical Society of Virginia, the Virginia Hospital and Healthcare Association, the Virginia Academy of Family Physicians and the Virginia Association of Health Plans to review the following issues: (i) how to improve coordination of care across provider types of Medicaid "super utilizers"; (ii) the impact of primary care provider incentive funding on improved interoperability between hospital and provider systems; and (iii) methods for formalizing a statewide emergency department collaboration to improve care and treatment of Medicaid recipients and increase cost efficiency in the Medicaid program, including recognized best practices for emergency departments.”*

In accordance with the budget amendment, the Committee analyzed approaches to establishing an Emergency Department Care Coordination Work Group. A representative for the Virginia Association of Health Plans and a representative for the Emergency Department Physicians presented on a proposed workgroup approach. MPMCLC members discussed the proposed approach and recommended some additional participants.

As a result, the MPMCLC established an Emergency Department Care Coordination Work Group that would satisfy the legislative directive through review of: (1) how to improve coordination of care across provider types of Medicaid "super utilizers;" (2) the impact of primary care on improved interoperability between hospital and provider systems; (3) and methods for formalizing a statewide emergency department collaboration to improve care and treatment of Medicaid recipients and increase provider incentive funding cost-efficiency in the Medicaid program, including recognized best practices for emergency departments.

When concerns arose that the proposed timeline for the Committee's projects may be too aggressive, the Committee Chairperson suggested the Committee delay work on the second priority selected by the group, preparing providers for value based purchasing. It was agreed that the group delay specific or detailed work on the value based purchasing project.

The Committee will instead monitor the work of the ED workgroup. The Committee Chairperson also encouraged Committee members to request presentations or discussion of related topics if desired.

All of the meeting agendas and presentations provided during the aforementioned Committee meetings may be accessed on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/mc-mpmc.aspx.

C. Success of the Emergency Department Care Coordination Work Group

DMAS convened four sessions of the Emergency Department Care Coordination Improvement Workgroup on July 14, July 28, August 4, and August 18, 2016. The workgroup was co-chaired by the Chief Medical Officer from DMAS and the Chief Information Officer from the Virginia Department of Health. As directed by the General Assembly, the workgroup included representatives from the Committee, including the Virginia College of Emergency Physicians, the Medical Society of Virginia, the Virginia Hospital and Healthcare Association, the Virginia Academy of Family Physicians and the Virginia Association of Health Plans. Additional participants included representatives from the Area Agencies on Aging, Community Service Boards, emergency physicians, family physicians, Chief Medical Officers of health plans, and CEOs and CMOs of health systems.

Presentations to the workgroup included:

- Dr. Lillian Peak, Virginia Department of Health, *Overview of Virginia Plan for Well-being*
- Chris Klomp, Collective Medical Technologies, *PreManage: Eliminate Avoidable Risk*
- Michael Matthews, *Connect Virginia*
- Ralph Orr, *Overview of the Prescription Monitoring Program*
- Susan Kirchoff, *Solutions in Complex Care Management: Emergency Department Information Exchange- Lessons Learned in Oregon*
- Dr. Paul Gibney, *"ER is for Emergencies": Washington's Best Practices from an Emergency Physician Perspective*

Stakeholder presentations on ED best practices and the IT functionalities required to support these best practices included:

- Dr. David Buchsbaum, Virginia Association of Health Plans, *Right Care, Right Time*
- Chris Bailey, Virginia Hospital and Healthcare Association, *Framework for Successful ED Care Coordination Initiative*
- Dr. Mark Sochor, Virginia College of Emergency Physicians, *Essential Best Practices for Care Coordination in the ED: An Emergency Physician's Perspective*
- Dr. Grace Choo, Virginia Association of Family Physicians, *Care Coordination from a Family Physician's Experience*
- David Coe, Virginia Association of Community Service Boards, *CSB and ED Care Coordination Best Practices for Consideration*

The ED Care Coordination Improvement workgroup came to a number of conclusions. First, the workgroup identified that real-time exchange of encounter data on patient ED visits between ED

physicians and to primary care providers, health plans, and behavioral health providers is essential to improve coordination of care across provider types of Medicaid "super utilizers." Second, the workgroup was unable to identify any evidence to support that primary care provider incentive funding has improved interoperability between hospital and provider systems. Finally, this group will produce a list of best practices for ED care coordination and the functionalities to support these best practices.

III. Summary

Thus, the MPMCLC has prioritized the undertaking of an ED diversion project, developed plans to work with providers in determining best practices for future value based payment arrangements, and established an Emergency Department Care Coordination Work Group pursuant to the budget amendment adopted by the Virginia General Assembly during the 2016 Session.

Medicaid Physician & Managed Care Liaison Committee Members

Organization

Psychiatric Society of Virginia
Medical Society of Virginia
Virginia Medical Group Management Association
InTOTAL
Virginia Council of Nurse Practitioners
Optima Family Care
Anthem Healthkeepers Plus
Virginia Association of Health Plans
Kaiser Foundation Health Plan of the Mid-Atlantic States
Virginia College Emergency Physicians
Virginia Nurses Association
CoventryCares of Virginia
Virginia Premier Health Plans
Board of Medical Assistance Services
Virginia Academy of Family Physicians
American College of Obstetricians and Gynecologists
American Academy of Pediatrics
American College of Radiology
Virginia Hospital & Healthcare Association

Representative

Adam T. Kaul
Karen Ransone / Arline Bohannon
Bert Wilson
Cheryl Ricciardi
Cynthia Fagan
Cynthia Rogers
David Buchsbaum
Stephanie Lynch
Cheryl Keys
Ed Walsh
Frankye Myers
Ira Bloomfield
Renee Miskimmin
Karen Rheuban
Roger Elliott
Stephen Bendheim
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**DMAS
Medicaid Physician and Managed Care Liaison Committee
ED Care Coordination Improvement Workgroup**

ORGANIZATION	TITLE	NAME
DMAS	<i>Co-Chair and DMAS Chief Medical Officer</i>	Dr. Kate Neuhausen
VDH	<i>Co-Chair and VDH Chief Information Officer</i>	Debbie Condrey
HHR	<i>Deputy Secretary</i>	Joe Flores
GOV	<i>Director of Policy</i>	Anna James
HHR	<i>Policy Advisor</i>	Jodi Manz
DMAS	<i>Chief Information Officer</i>	Mukundan Srinivasan
DMAS	<i>Director of Office of Innovation and Strategy</i>	Seon Rockwell
DBHDS	<i>Director of Policy</i>	Holly Mortlock
VDH	<i>Director of Office of Minority Health and Health Equity</i>	Dr. Adrienne McFadden
DHP	<i>Prescription Monitoring Program, Director</i>	Ralph Orr
Aetna	<i>Chief Medical Officer</i>	Dr. Ira Bloomfield
Anthem	<i>Medical Director</i>	Dr. David Buchsbaum
Anthem	<i>Medical Director and Emergency Medicine Physician</i>	Dr. Paul Gibney
Bon Secours Medical Group	<i>Chief Clinical Officer</i>	Robert Fortini
Good Neighbor Community Services	<i>Director of Strategic Engagement</i>	Rich Shelton
HCA	<i>Lobbyist</i>	Scott Johnson
HCA	<i>Emergency Medicine Physician</i>	Dr. Scott Hickey
Humana	<i>Medical Director</i>	Dr. Lauri Kalanges
Inova Health System	<i>Associate Medical Director, Inova Behavioral Services</i>	Dr. Brian Masterson
INTotal	<i>Medical Director</i>	Dr. Mohammed Ally
Kaiser	<i>Medical Director</i>	Dr. Cheryl Keys
Kaiser	<i>Acting CEO, Kaiser Medicaid</i>	Kenya Onley
Magellan	<i>VP and General Manager</i>	Bill Phipps
Magellan	<i>Medical Director</i>	Dr. Varun Choudhary
MSV	<i>Senior Director of Health Policy</i>	Lauren Bates-Rowe
MSV	<i>Senior Director of Government Affairs</i>	Ralston King
Optima	<i>Director, Virginia Medicaid</i>	Randy Ricker
Pathway Homes	<i>Chief Executive Officer</i>	Dr. Sylisa Woodard Lambert
Riverside Health System	<i>Chief Information Officer</i>	Charles Frazier
PSV	<i>Director, Emergency Psychiatry</i>	Dr. Joel Moran
VACBP	<i>Lobbyist</i>	Mike Carlin
UVA	<i>Chair, Department of Family Medicine</i>	Dr. Norman Oliver
UnitedHealthCare	<i>Chief Medical Director</i>	Dr. Ed Koza
VACEP	<i>President</i>	Dr. Mark Sochor

**DMAS
Medicaid Physician and Managed Care Liaison Committee
ED Care Coordination Improvement Workgroup**

VACEP	<i>Lobbyist</i>	Aimee Perron Seibert
VACSB	<i>Director, Colonial CSB and Chair, VACSB Council of Directors</i>	David Coe
VAFP	<i>Board Member</i>	Dr. Grace Chiu
VAHP	<i>Executive Director</i>	Doug Gray
VAHP	<i>Director of Medicaid Innovation</i>	Stephanie Lynch
VCHA	<i>CEO</i>	Neal Graham
VCU Health System	<i>Chair, Department of Emergency Medicine</i>	Dr. Harinder Dhindsa
VCU Health System	<i>Chief Medical Information Officer</i>	Dr. Colin Banas
VHCA/Virginia Center for Assisted Living	<i>VP of Government & Regulatory Affairs</i>	Matt Mansell
VHCA/Virginia Center for Assisted Living	<i>Senior VP for Policy & Reimbursement</i>	Steve Ford
VHHA	<i>Executive VP</i>	Chris Bailey
VHHA	<i>VP and General Counsel</i>	Brent Rawlings
VHHA/Bon Secours	<i>CEO, Bon Secours St. Francis Hospital</i>	Chris Accashian
VHHA/HCA	<i>CEO, Chippenham and Johnston Willis Hospitals</i>	Tim McManus
Virginia Premier	<i>Medical Director</i>	Dr. Renee Mimmiskin